

House Amendment 8599

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1 1 Amend the amendment, H=8596, to Senate File 2399,
1 2 as amended, passed, and reprinted by the Senate, as
1 3 follows:
1 4 #1. Page 2, by inserting after line 25 the
1 5 following:
1 6 <#____. Page 4, by inserting after line 8 the
1 7 following:
1 8 <Sec. ____ Section 476C.4, subsection 4, Code
1 9 Supplement 2005, is amended by striking the subsection
1 10 and inserting in lieu thereof the following:
1 11 4. A tax credit certificate may be filed pursuant
1 12 to any of the following, to the extent applicable:
1 13 a. If the tax credit application is filed by a
1 14 partnership, limited liability company, S corporation,
1 15 estate, trust, or other reporting entity all of the
1 16 income of which is taxed directly to its equity
1 17 holders or beneficiaries, for the taxes imposed under
1 18 chapter 422, division II or III, the tax credit
1 19 certificate shall be issued directly to equity holders
1 20 or beneficiaries of the applicant in proportion to
1 21 their pro rata share of the income of such entity.
1 22 The applicant shall, in the application made under
1 23 this section, identify its equity holders or
1 24 beneficiaries, and the percentage of such entity's
1 25 income that is allocable to each equity holder or
1 26 beneficiary.
1 27 b. If the tax credit applicant under this section
1 28 is eligible to receive renewable electricity
1 29 production credits authorized under section 45 of the
1 30 Internal Revenue Code, as amended, and the tax credit
1 31 applicant is a partnership, limited liability company,
1 32 S corporation, estate, trust, or other reporting
1 33 entity all of the income of which is taxed directly to
1 34 its equity holders or beneficiaries, for the taxes
1 35 imposed under chapter 422, division II or III, the tax
1 36 credit certificate may be issued to a partner if the
1 37 business is a partnership, a shareholder if the
1 38 business is an S corporation, or a member if the
1 39 business is a limited liability company in the amounts
1 40 designated by the eligible partnership, S corporation,
1 41 or limited liability company. In absence of such
1 42 designation, the credits under this section shall flow
1 43 through to the partners, shareholders, or members in
1 44 accordance with their pro rata share of the income of
1 45 the entity.
1 46 The applicant shall, in the application made under
1 47 this section, identify the holders or beneficiaries
1 48 that are to receive the tax credit certificates and
1 49 the percentage of the tax credit that is allocable to
1 50 each holder or beneficiary.
2 1 c. If an applicant under this section is eligible
2 2 to receive renewable electricity production credits
2 3 authorized under section 45 of the Internal Revenue
2 4 Code, as amended, and the tax credit applicant is a
2 5 partnership, limited liability company, S corporation,
2 6 estate, trust, or other reporting entity all of the
2 7 income of which is taxed directly to its equity
2 8 holders or beneficiaries, for the taxes imposed under
2 9 chapter 422, division II or III, the tax credit
2 10 certificates and all future rights to the tax credit
2 11 in this section may be distributed to an equity holder
2 12 or beneficiary as a liquidating distribution or
2 13 portion thereof, of a holder or beneficiary's interest
2 14 in the applicant entity.
2 15 The applicant shall, in the application made under
2 16 this section, designate the percentage of the tax
2 17 credit allocable to the liquidating equity holder or
2 18 beneficiary that is to receive the current and future
2 19 tax credit certificates under this section.
2 20 d. If the tax credit application is filed by a
2 21 partnership, limited liability company, S corporation,
2 22 estate, trust, or other reporting entity, all of whose
2 23 income is taxed directly to its equity holders or
2 24 beneficiaries for the taxes imposed under chapter 422,

2 25 division V, or under chapter 423, 432, or 437A, the
2 26 tax credit certificate shall be issued directly to the
2 27 partnership, limited liability company, S corporation,
2 28 estate, trust, or other reporting entity.>
2 29 ~~_____~~. Page 4, by striking lines 23 through 25 and
2 30 inserting the following:
2 31 <Sec. _____. EFFECTIVE DATES.
2 32 1. The sections of this Act amending section
2 33 476B.6, subsection 5, and section 476C.4, subsection
2 34 4, being deemed of immediate importance, take effect
2 35 upon enactment.
2 36 2. The section of this Act relating to a proposal
2 37 for a study on the transmission of electricity takes
2 38 effect July 1, 2006.
2 39 3. Except as otherwise provided in this section,
2 40 this Act takes effect January 1, 2007.>
2 41 ~~_____~~. Title page, line 3, by striking the words
2 42 <an effective date> and inserting the following:
2 43 <effective dates>.>
2 44 ~~#2.~~ By renumbering as necessary.
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2 48 _____
2 49 J. K. VAN FOSSEN of Scott
2 49 SF 2399.703 81
2 50 kk/gg/5308